

## Braley Urges Obama Auto Taskforce to Protect Local Auto Dealers

Today, Rep. Braley sent a letter to President Obama's Auto Taskforce asking them to protect local auto dealers during Chrysler's bankruptcy proceedings and the restructuring of General Motors.

Washington, DC - Rep. Bruce Braley (D-Iowa) today sent a letter to Secretary Timothy Geithner and Lawrence Summers, leaders of the Presidential Task Force on the Auto Industry, urging them to support auto dealers throughout Chrysler's bankruptcy proceedings and the restructuring of General Motors. Last week, Chrysler announced plans to cancel 789 franchise agreements with auto dealers, including 22 auto dealers in Iowa, and General Motors announced plans to let approximately 1,100 dealership franchise agreements expire. Auto dealerships create jobs and boost local economies, especially in Iowa's rural communities.

The full text of Braley's letter follows; a copy of the letter is attached to this message.

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May 19, 2009

Timothy Geithner

Lawrence Summers

Secretary

Director

U.S. Department of the Treasury

National Economic Council

1500 Pennsylvania Avenue, NW

The White House

Washington, D.C. 20220

1600 Pennsylvania Avenue, NW

Washington, D.C. 20500

Dear Secretary Geithner and Director Summers,

I'm writing to express my serious concerns with the news that Chrysler filed papers in federal bankruptcy court seeking permission to cancel hundreds of car dealership agreements nationwide, and that GM announced that roughly 1,100 GM dealers will lose their franchises by late next year. Twenty-two Iowa car dealers, including several dealers in the First District of Iowa, are at risk of losing their franchises as part of the Chrysler restructuring plan, and at least 10 Iowa new-car dealers have been marked for elimination by General Motors.

In this time of severe economic downturn, I believe that eliminating dealerships and the quality jobs they provide, is the wrong way to go. As we are striving to create good jobs and invest in our communities in order to overcome this economic crisis, we should be working to keep businesses open, not shut them down. Iowans have long recognized the local economic value of our dealerships, and Chrysler and GM bankruptcy protection does not eliminate the franchise protections these dealers are entitled to under Iowa Code.

I'm especially concerned about the effect these restructurings could have on workers, families, and communities in my District and my state. Iowa families and communities depend on the good jobs provided by these dealerships. In addition, these potential closures could force Iowans in rural areas to travel even further to purchase vehicles or have their vehicles serviced.

As the leaders of President Obama's Presidential Task Force on the Auto Industry, I urge you to work to ensure that Iowa auto dealers and their employees are treated fairly and equitably, and that their livelihoods and investments are taken into full consideration during the bankruptcy proceedings. I also urge you to work to ensure that the positive economic impact that auto dealerships have in Iowa communities is taken into full consideration during the proceedings.

Thank you for your consideration. I look forward to hearing from you soon.

Sincerely,

Bruce Braley